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FISCAL IMPACT STATEMENT

LS 6579

BILL NUMBER: SB 437

NOTE PREPARED: Dec 31, 2012

BILL AMENDED:

SUBJECT: Construction Manager as Constructor.

FIRST AUTHOR: Sen. Alting

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill authorizes state educational institutions to employ "construction managers as constructors" (CMc) for certain construction projects.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary* - It is unknown to what extent state educational institutions will employ CMc contracts for construction projects with capital project values of at least \$10 M. The impact is indeterminable, but savings in expenditures could occur if CMc contracts are entered into for these projects.

Background Information - The Indiana Commission for Higher Education has recommended 15 capital projects totaling about \$344.3 M for the 2013-2015 biennium. Thirteen of these projects are estimated to cost at least \$10 M, and together they total about \$333.8 M. State universities have requested 40 projects totaling about \$983 M.

CMc construction projects generally require a commitment by the construction manager to deliver a project within a guaranteed maximum price (GMP). The construction manager must manage and control construction costs so that they do not exceed the GMP because the construction manager would have to cover any additional costs if they occur. This bill provides that the GMP will be set during negotiation of the CMc contract.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Educational Institutions.

Local Agencies Affected:

Information Sources: Indiana Commission for Higher Education.

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